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ABSTRACT

The Community College of Philadelphia (CCP) compiled a report highlighting the economic benefits and opportunities the school provides to the citizens of Philadelphia and the region. Three broad categories of institutional effectiveness were defined to be economic impact characteristics: service to the Philadelphia communities, and enrollment, access, and student outcomes. Multiple measures of economic development, human development and cost effectiveness are presented in order to demonstrate the prominent and cost effective role CCP plays in the City's economy. CCP's accessibility allows students of all ages and ethnicities to enroll, making it the largest point of entry into higher education for minorities in Pennsylvania. As the only strictly public institution in Philadelphia, CCP contributes to the economy by increasing the productivity and earning potential of its citizens. In addition, CCP provides customized employee education, affordable tuition, and high transfer rates. Students work while attending school, and utilize the education to successfully fulfill future employment goals as well. CCP gives back to the community by providing jobs, purchasing goods and services from local enterprises, and opening their facilities to other community organizations. With its human development and human capital returns on investment in higher education, CCP provides numerous economic benefits to the City and region. (YKH)

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ECONOMIC IMPACT CHARACTERISTICS OF THE COMMUNITY COLLEGE OF PHILADELPHIA

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INSTITUTIONAL RESEARCH REPORT NO. 87

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Economic Impact Characteristics of the Community College of Philadelphia

A series of institutional performance indicators, which help to describe institutional effectiveness, were defined by the Institutional Research and Planning staff. Three broad categories of institutional effectiveness were compiled. They include:

- Economic impact characteristics
- Service to the Philadelphia communities
- Enrollment, access, and student outcomes

This report is the first of three reports to address one of the three dimensions of institutional effectiveness. Multiple measures of economic development, human development and cost effectiveness are presented in order to demonstrate the prominent and cost effective role CCP plays in the City's economy. Reports that address the two remaining categories of institutional effectiveness are forthcoming.

This report highlights the economic benefits and opportunities Community College of Philadelphia (CCP) provides to the citizens of Philadelphia and the region. As stated in its mission, CCP "draws together students from a wide range of ages and backgrounds" in order to help address the broad economic concerns in the City and beyond.

CCP's student body reflects the demographic diversity of the City. CCP's flexible course scheduling and breadth of course offerings has encouraged many non-traditionally aged Philadelphians to enroll at the College. Consequently, City residents of all ages are represented among CCP's student body (see Table 1). CCP is the largest single point of entry into higher education for minorities in Pennsylvania. During the 1993-94 academic year, 20,882 African

Table 1

CCP FISCAL YEAR 1993/94 HEAD COUNT ENROLLMENTS BY AGE CATEGORIES COMPARED WITH THE CITY OF PHILADELPHIA POPULATION AS OF THE 1990 CENSUS

	CCP Students	Percent	Philadelphia Population	Percent
Age Category				
16-19 [1]	3,267	8.0%	107,408	8.5%
20-29	20,043	49.1%	278,289	22.0%
30-39	9,643	23.6%	249,535	19.7%
40-49	4,975	12.2%	176,691	14.0%
50 & over	2,863	7.0%	453,198	35.8%
Age unknown	3,249			
Total	44,040	100.0%	1,265,121	100.0%

[1] City of Philadelphia population 15-19 years of age

American, 17,823 White, 2,482 Asian, and 2,656 Latino students were enrolled at CCP (see Table 2).

In Fall 1994, CCP's minority enrollment (exclusive of nonresident aliens) represented 17.6% of all minority undergraduates at Pennsylvania colleges and 54.3% of all minority enrollments at Pennsylvania community colleges.

The benefits of a higher education are well documented. The Census Bureau estimates that labor force participation during 1993 for individuals 25 years of age and older with a certificate or an associate degree was 75.1% (see Table 3). This is 8.9% higher than the participation rate for high school graduates. The Bureau also estimates that associate degree holders will enjoy higher earnings over a working lifetime. In 1994, the Bureau projected that, on

Table 2

TOTAL CCP 1993-94 ENROLLMENTS BY RACIAL/ETHNIC BACKGROUND COMPARED WITH THE CITY OF PHILADELPHIA AS OF THE 1990 CENSUS

	City of Philadelphia (1990 Census)	Percent Distribution	Total CCP 1993-94 Enrollments	Percent Distribution
African American	631,936	39.9%	20,882	47.4%
White	848,586	53.5%	17,823	40.5%
Asian	43,522	2.7%	2,482	5.6%
Native American	3,454	0.2%	197	0.5%
Other	58,079	3.7%	–	–
Latino	89,193	5.6%	2,656	6.0%

Table 3

LABOR FORCE PARTICIPATION RATE FOR CIVILIAN NONINSTITUTIONAL POPULATION 25 YEARS OF AGE AND OLDER (1993 ANNUAL AVERAGE) BY EDUCATIONAL LEVEL

Educational Level	Rate
Non High School Graduate	40.7%
High School Graduate only	66.2%
Less than Bachelor's degree [1]	75.1%
College Graduate	81.2%
Total	66.3%

Source: 1994 Statistical Abstract of the United States, Table No. 618.

[1] Includes Certificate and Associate Degree holders.

average, associate degree holders would earn $1,062,000 over a lifetime. This compares to lifetime earnings of $821,00 for high school graduates (see Table 4). In 1990, associate degree holders earned 55% more on the average per year than high school graduates (see Table 5).

The following information provides detailed information that illustrates CCP's economic impact on the Philadelphia region. As the only strictly public institution of higher education in Philadelphia, CCP makes an important contribution to the local economy by increasing the productivity and earning potential of tens of thousands of City residents who otherwise would be unable to participate in higher education. Approximately 42% of recently surveyed students said they would have been unable to attend college were it not for the opportunities CCP offers (see Figure 1). The College offers 71 career and transfer programs, including 24 in the

Table 4

ESTIMATED LIFETIME EARNINGS BY EDUCATIONAL LEVEL

Degree	Lifetime Earnings
Not high school graduate	$609,000
High school graduate	$821,000
Some college	$993,000
Associate degree	$1,062,000
Bachelor's degree	$1,421,000
Master's degree	$1,619,000
Doctorate	$2,142,000
Professional degree	$3,013,000

Source: Census Bureau, "Educational Attainment in the United States: March 1993 and 1992", July 1994. (Highlighted in Vocational Training News, August 4, 1994)

Table 5

MEAN MONTHLY EARNINGS FOR ADULTS 18 AND OVER BY DEGREE LEVEL

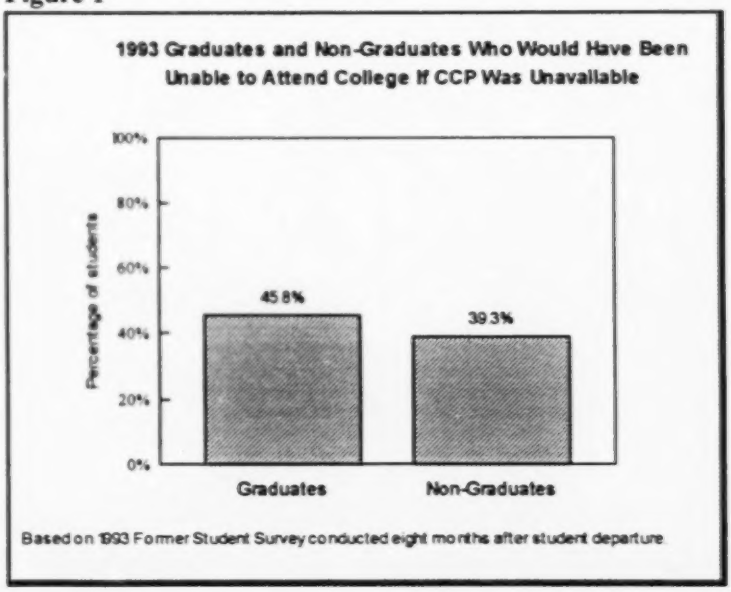
	Spring 1984	Spring 1987	Spring 1990	Ratio 84 degree to H.S. degree	Ratio 87 degree to H.S. degree	Ratio 90 degree to H.S. degree
Less than 4 years of high school	$415	$452	$492	0.49	0.49	0.46
High school degree	$848	$921	$1,077	1.00	1.00	1.00
Some college	$965	$1,088	$1,280	1.14	1.18	1.19
Vocational degree	$990	$1,088	$1,237	1.17	1.18	1.15
Associate degree	$1,188	$1,458	$1,672	1.40	1.58	1.55
Bachelor's degree	$1,540	$1,829	$2,116	1.82	1.99	1.96
Master's degree	$1,956	$2,378	$2,822	2.31	2.58	2.62
Professional degree	$3,439	$4,003	$4,961	4.06	4.35	4.61
Doctorate	$2,747	$3,637	$3,855	3.24	3.95	3.58
Total	$917	$1,075	$1,284	1.08	1.17	1.19

Source: What's It Worth? Educational Background and Economic Status: Spring 1987 and Spring 1990 Issues. Current Population Reports

area of business, 11 in allied health, 16 in science and technology and 9 in the social and behavioral sciences (see Figure 2).

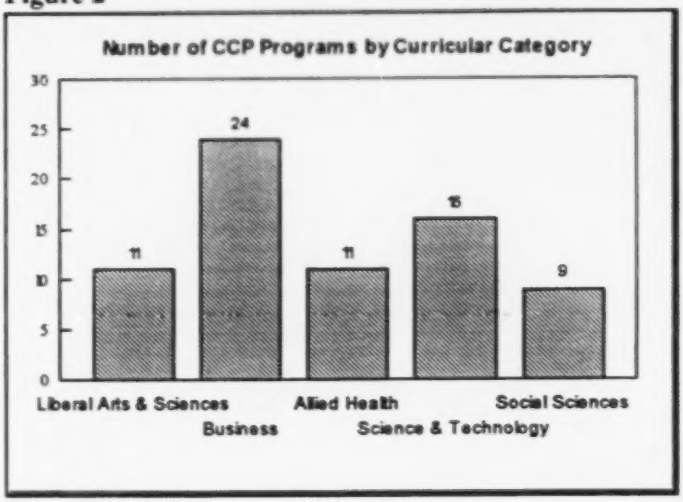
Additionally, CCP provides customized educational programs for business and industry to address immediate needs for employee education. A wide range of small and large firms benefit each year from these programs.

Figure 1



In the Spring of 1995, CCP's Center for Business and Industry Training provided 25 programs to local business and industry.

Figure 2



In keeping with its commitment to accessibility, CCP's basic student charges compare favorably with those at other institutions. In 1994-95, CCP's average tuition and fees was $1,905 compared to an average of $3,755 and $4,853 charged by Pennsylvania state universities and state-related universities (see Figure 3).

For students who are eventually planning to transfer to a baccalaureate-degree granting institution, CCP provides an affordable access point into higher education. Approximately 65%

Figure 3

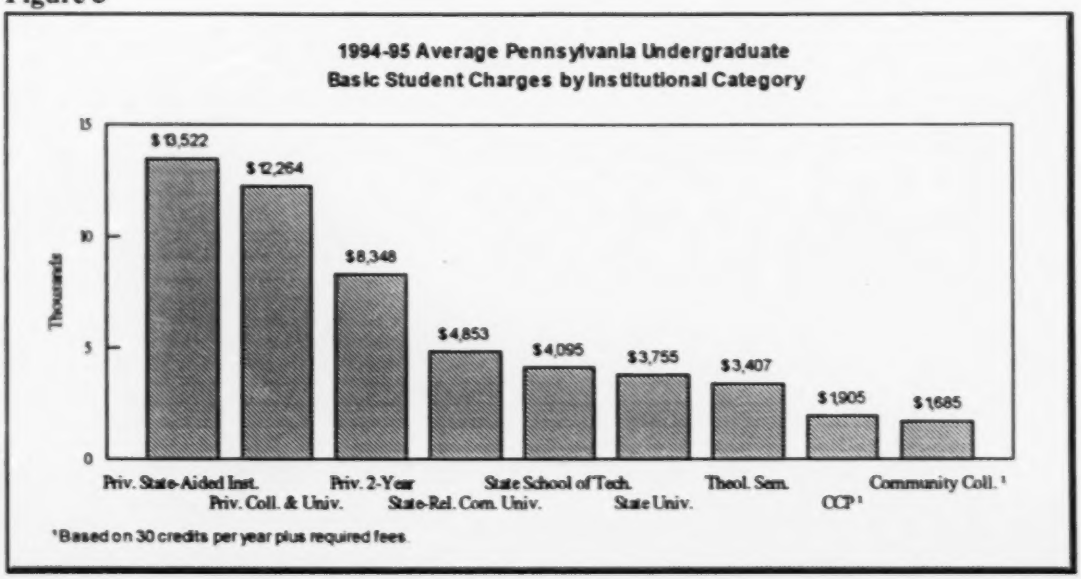


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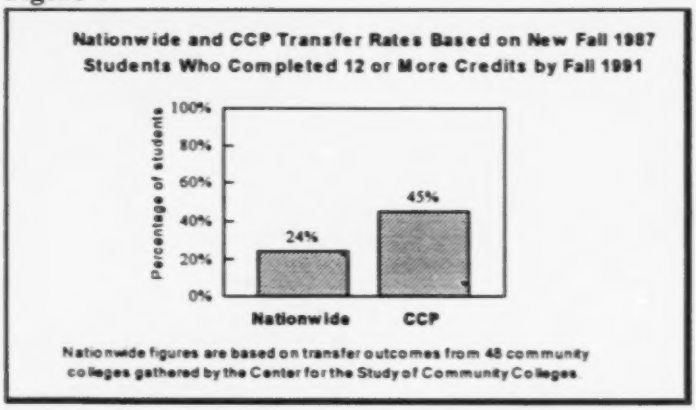
Figure 4


Nationwide and CCP Transfer Rates Based on New Fall 1987 Students Who Completed 12 or More Credits by Fall 1991
Percentage of students
100%
80%
60%
40%
20%
0%
24%
45%
Nationwide
CCP
Nationwide figures are based on transfer outcomes from 48 community colleges gathered by the Center for the Study of Community Colleges.

of graduates and 52% of non-graduates who enrolled at CCP to prepare for transfer did so within one year of leaving the College. In a national study of community college transfer rates conducted by the Center for the Study of Community Colleges, 45% of CCP's alumni transfer within four years of initially enrolling at the College. This compares very favorably with a community college national average of 24% (see Figure 4).

Eighty-three percent of CCP students who transfer enroll at a college or university within the Philadelphia region. Another 7% attend a Pennsylvania college outside of the metropolitan area, while the remaining 10% transfer to an out-of-state institution.

While attending the College, many students also participate in the Philadelphia labor force. In the 1993-1994 academic year, 65% of new CCP students were working in the City

Figure 5

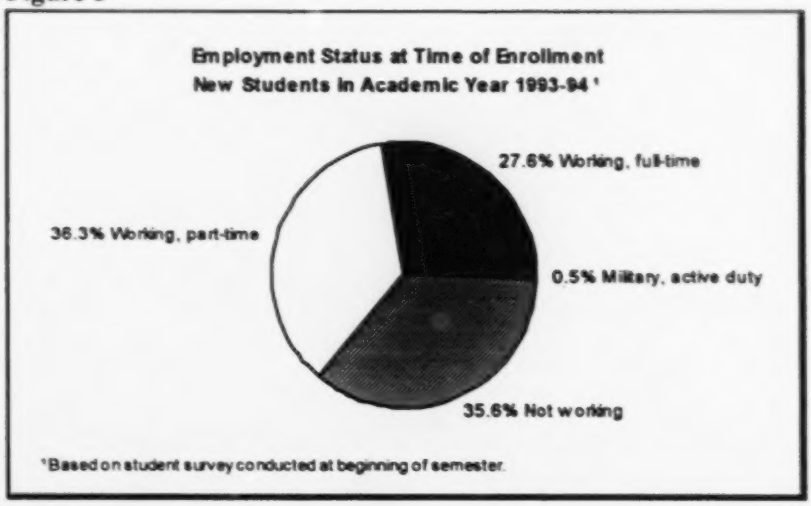
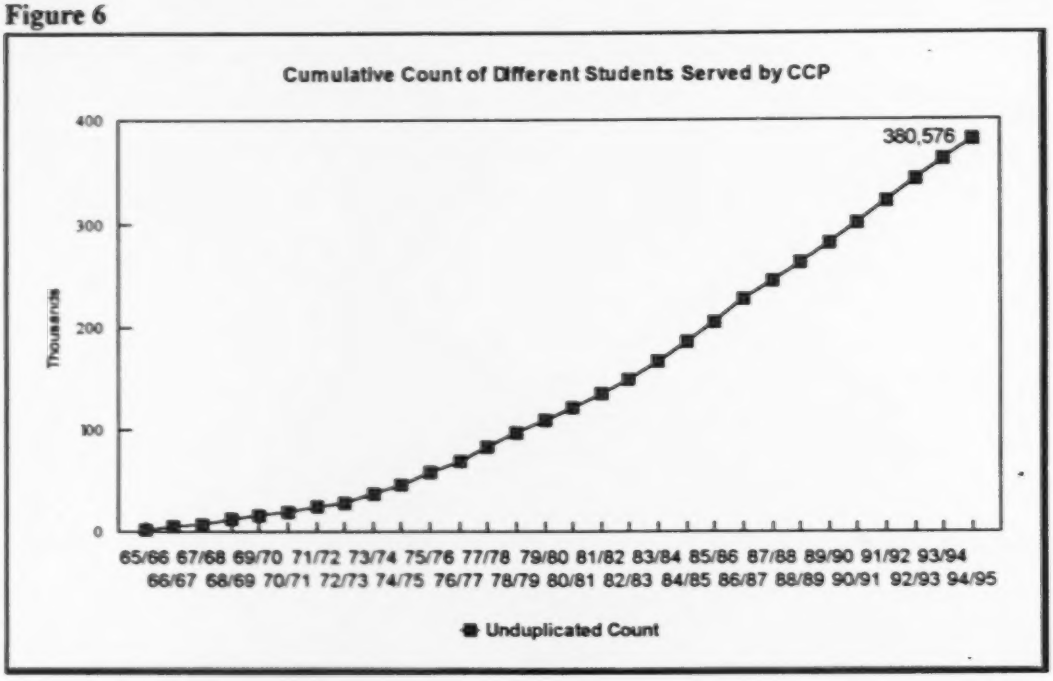

Employment Status at Time of Enrollment
New Students in Academic Year 1993-94 *
27.6% Working, full-time
36.3% Working, part-time
0.5% Military, active duty
35.6% Not working
*Based on student survey conducted at beginning of semester.

Figure 6



while attending CCP (see Figure 5).

Since its start in Fall 1965, over 380,000 individuals, mostly Philadelphia residents, have enrolled at CCP (see Figure 6). Many of these students were, or continue to be, employed in the Philadelphia workforce. Of those who had left CCP as recently as six months ago, an estimated 82% were working in Philadelphia. Of those who had left the College several years ago, 74% continued to be employed in the City (see Figure 7).

Figure 7

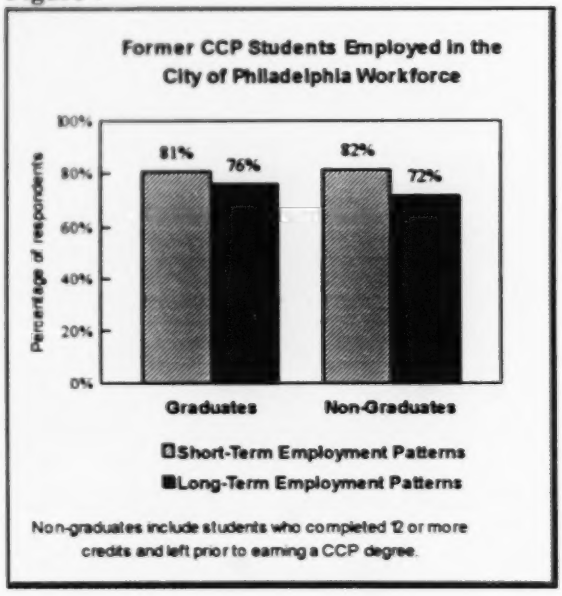


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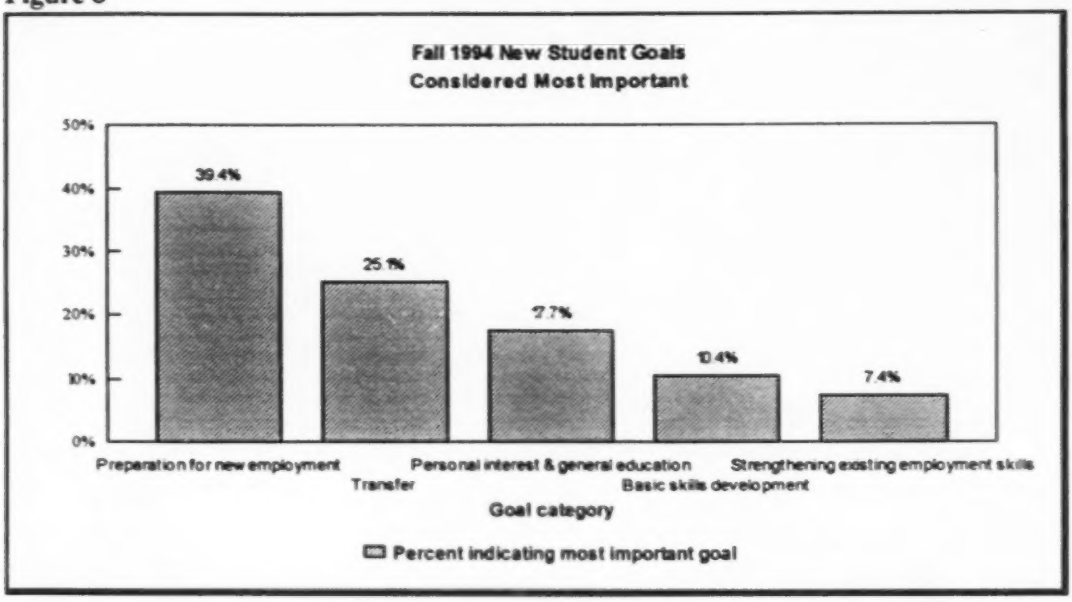
Figure 8



Many students attend CCP in order to prepare for new employment or upgrade skills for their current job. Approximately 39.4% of new students in the Fall 1994 semester were attending CCP for the former reason and 7.4% for the latter (see Figure 8). Based on the job mobility experienced by recent CCP graduates, it appears as though students successfully achieve their employment objectives. Six to nine months after graduation, 38% of 1993 career program graduates found a new job and an additional 18% were promoted (see Figure 9). Of those who were employed in a new job, 88% were working in a field directly related to their CCP studies (see Figure 10).

Few 1993 CCP graduates (4.5%) were unemployed six to eight months after graduation. This compares favorably with a 1993 City-wide unemployment rate of 8.9% (see Figure 11).

In addition to long-term human capital returns on investments in higher education, CCP has an immediate short-term impact on the local economy by providing jobs and purchasing goods and services from local individuals and enterprises. Financial resources received by the College from public and private sources for instructional purposes are not absorbed by the institution. They are rechanneled into the economy in the form of salaries and wages to employees, taxes and fees to governments and payments for goods and services purchased from businesses. This spending process has a dramatic local impact in terms of jobs created, increased trade, enhanced property values, and enlarged credit bases.

Figure 9

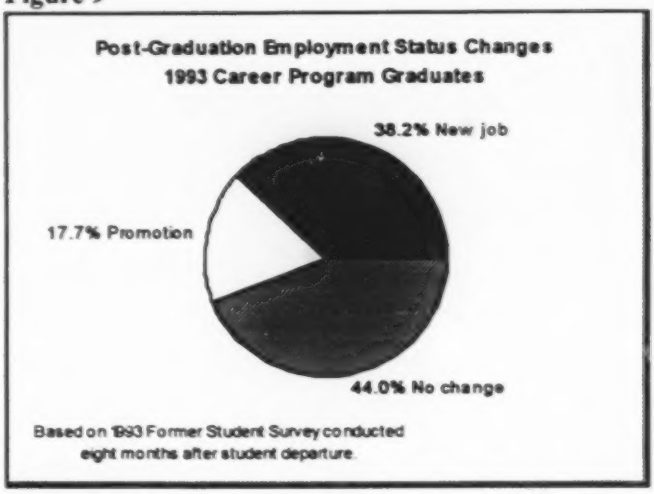

Post-Graduation Employment Status Changes
1993 Career Program Graduates
38.2% New job
17.7% Promotion
44.0% No change
Based on 1993 Former Student Survey conducted eight months after student departure.

Figure 10

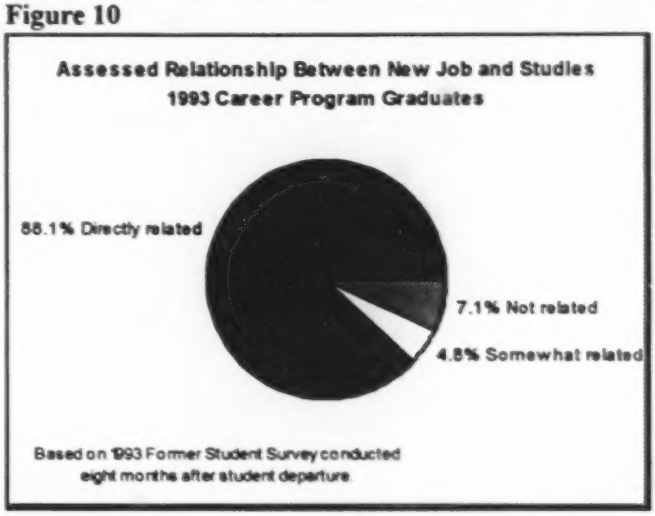
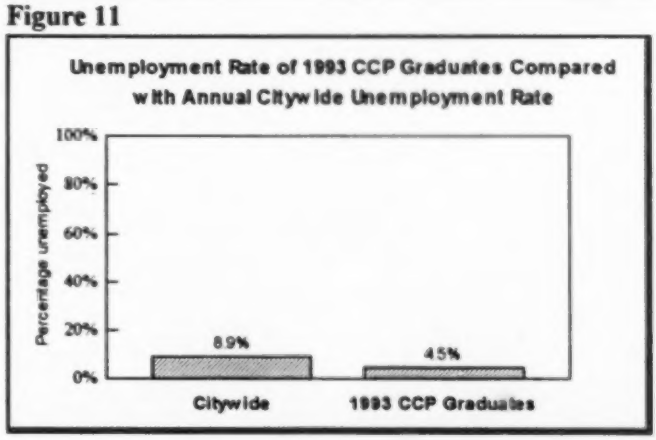

Assessed Relationship Between New Job and Studies
1993 Career Program Graduates
88.1% Directly related
7.1% Not related
4.8% Somewhat related
Based on 1993 Former Student Survey conducted eight months after student departure

Figure 11



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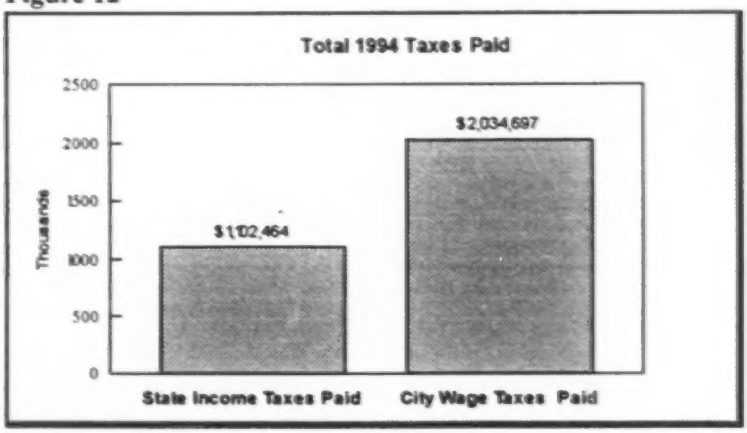
The College's funding mechanisms allow it to leverage local dollars to infuse a significant and greater amount of State and Federal dollars into the local economy. For each local dollar received in 1993-94, the College received $3.02 from the Federal and State governments. The great majority of these Federal and State dollars are deposited in local financial institutions and/or expended in the local economy either by the College or by students and staff.

During the 1994 calendar year, 1,889 CCP employees, with combined salaries totaling $24,691,072, lived in the City. CCP employee city wage tax payments for 1994 totaled $2,034,697 (see Figure 12).

Figure 12



In its capacity as a consumer in the market area, CCP provides for additional jobs and payrolls through money spent for goods and services. The services of 658 local vendors were used by the College during FY 1993-94 generating $13,962,922 in direct expenditures for local goods and services.

There is also a direct impact on the local economy when students spend money over and above their tuition in the local community. In an institution such as a community college, the money spent by students is drawn in large part from outside the area in the form of state and federal financial aid. In Fall 1993, 7,511 (38.1%) of all CCP students received some federal

and/or state financial support, most of which is expended locally while the students study at the College.

Also significant in the Philadelphia economy is the institutions function as a builder, purchaser and owner of property including land, building and equipment. CCP is geographically accessible to City residents. The College occupies a 14-acre site at 17th and Spring Garden Streets where it maintains five major buildings and a parking garage. In addition to its main campus, the College has a West Philadelphia Regional Center (4725 Chestnut Street), which opened in the Summer of 1992, a Northeast Philadelphia Regional Center (12901 Townsend Rd.), opened in the Summer of 1995, and one leased Regional Center site located in Northwest Philadelphia (Chelten Avenue and Greene Street). The estimated value of real property owned by the College is $ 124,823,515.

The Regional Centers have had positive impacts on the physical appearance, safety and the retail base of the communities in which they are located. In order to ensure educational programs and services for the residents of the local communities, CCP offers instructional programs in 23 different community sites throughout the City, in addition to the Regional Centers (see Figure 13). For this purpose, the College leases space from a broad array of neighborhood schools and non-profit organizations, providing additional financial support to those organizations.

As a secondary benefit for the local communities, CCP facilities are available to agencies, organizations and neighborhood groups for locally sponsored workshops, conferences, meetings, graduation ceremonies, sports activities, festivals, press conferences, and business expos.

Figure 13

TOTAL CCP 1993-94 ENROLLMENTS
BY STUDENT AREA OF RESIDENCE
IN THE CITY OF PHILADELPHIA

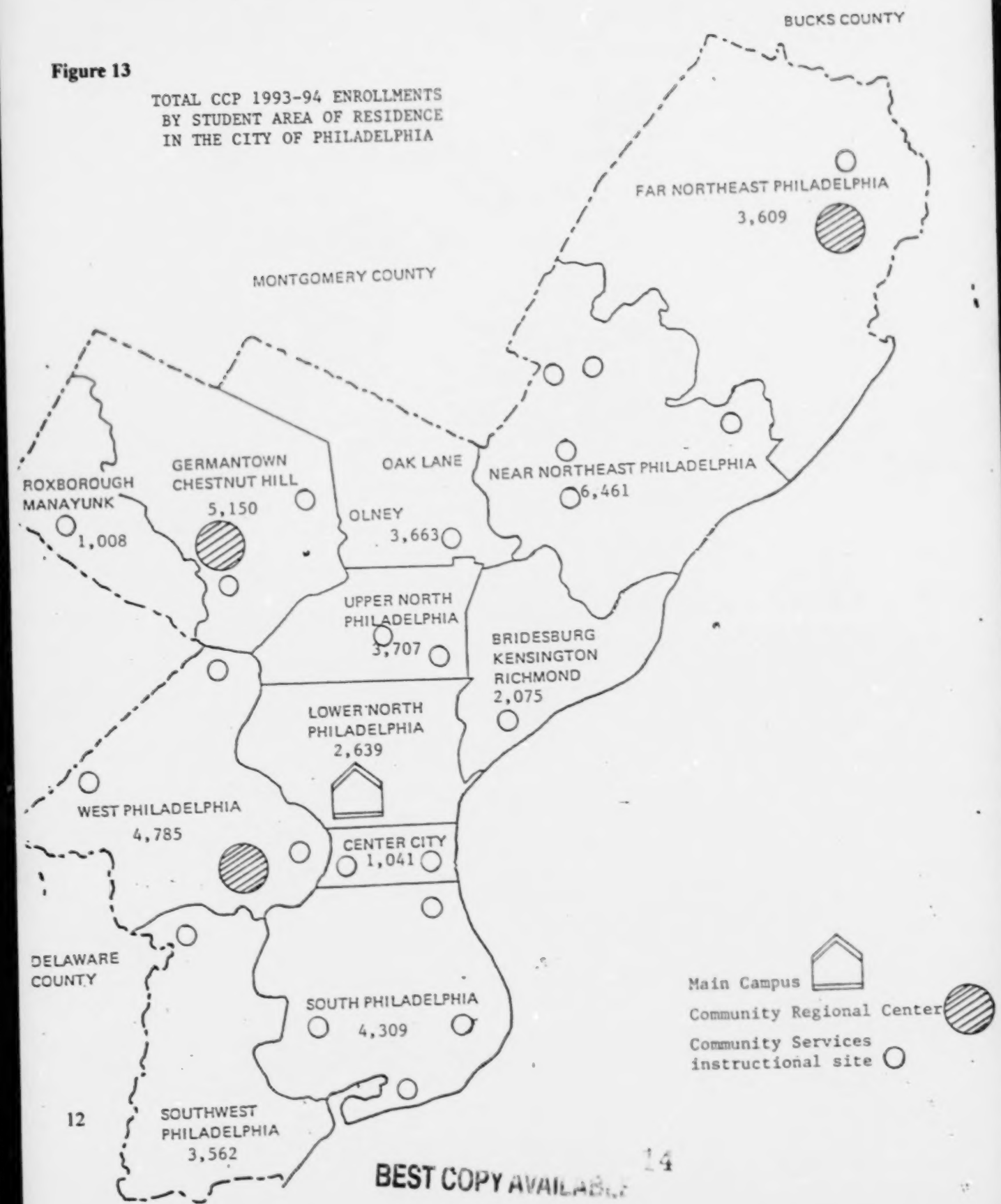


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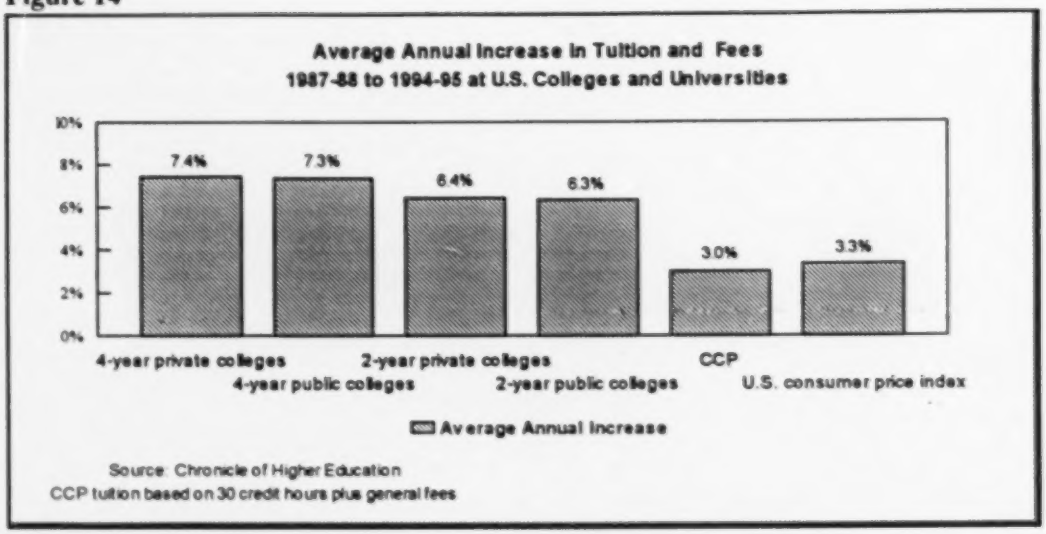
Figure 14



Cost effectiveness in its use of resources is an important measure of the College's economic success. Because of extensive cost containment strategies, CCP has managed to hold tuition increases down, thereby helping to maintain the financial accessibility aspect of its mission. Between 1987 and 1995, the average annual tuition and fees increase at CCP was 3.0% (see Figure 14). During this same time period, the average annual CPI was 3.3% and the national average annual tuition and fees increase for all other two-year public colleges was 6.3%.

Comparative FY 1992-93 data demonstrates that CCP had lower instructional and plant expenses per full-time equivalent (FTE), $2,145 and $343 respectively, than the average expenses in these areas for all other Pennsylvania colleges and universities (see Figure 15).

CCP has devoted a higher percentage of its employment resources to faculty than has been the pattern nationally for higher education. FTE student to FTE non-faculty staff ratios have been well above national averages which allowed CCP to maintain a level of FTE students per FTE

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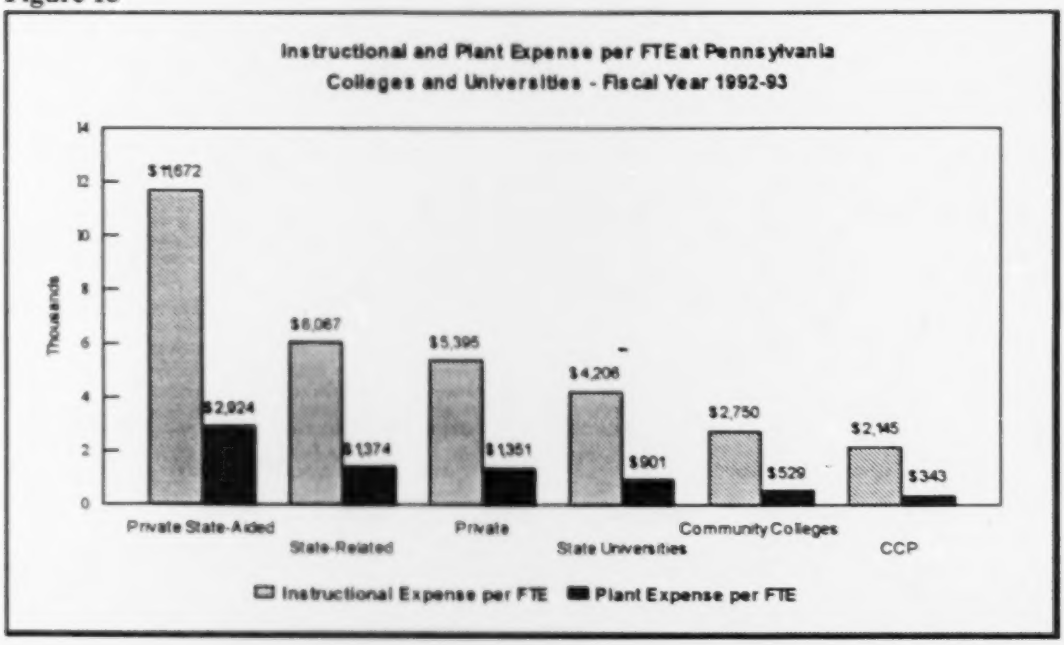
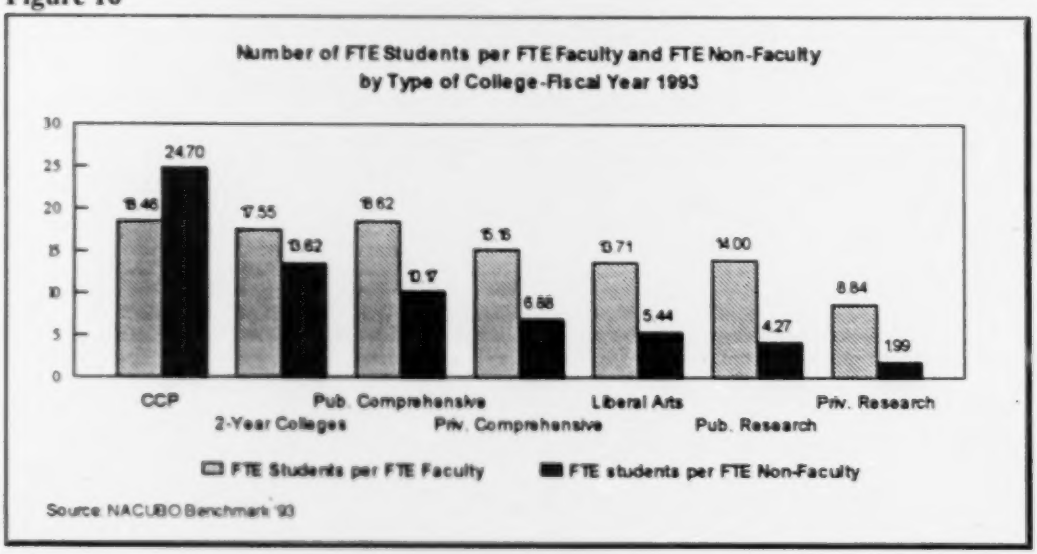
Figure 15



faculty that is comparable with national averages of student-to-faculty contact at all two-year colleges and public comprehensive institutions (see Figure 16).

Figure 16



Summary

In conclusion, human development is one of the most important aspects of CCP's mission and the human capital returns on investment in a higher education at CCP are many. Successful participation in CCP's educational programs results in individuals who are more employable, capable of greater productivity, advance more rapidly in their chosen careers, are more inclined to improve their capacities through continuing education, and are likely to have higher earnings over a working lifetime.

In turn, the City and region benefit since a share of the higher income earned by former CCP students is returned to local and state government in the form of taxes. The higher level of disposable income available to CCP alumni also provides a stimulant to the local economy.

The College is committed to enabling students to meet the changing needs of Philadelphia's business industry and the professions. As such, CCP is a critically-needed source of skilled personnel for the City's employers and plays a major role in creating a work force capable of supporting the City's long-term economic development goals. By efficiently using its resources, CCP is able to maintain reasonable tuition and fees which ensure that the College is financially accessible to all the citizens of Philadelphia.